

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

HUMAN AND COMMUNITY SERVICES DIVISION

HUMAN AND COMMUNITY SERVICES DIVISION CONTACTS

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WHAT HUMAN AND COMMUNITY SERVICES DIVISION DOES

The Human and Community Services Division provide services to the poor people of Montana. Major Services include: Temporary Assistance for Needy Families (TANF), eligibility determination for food stamps, and Medicaid, Child Care, Child and Adult Food Program, and Low-Income Energy Assistance Program.

Statutory Authority for the Human and Community Services Division

Statutory authority is in Title 53, Chapter 2, MCA and 45 CFR.

CACFP	7 CFR 126
CCDF	45 CFR 98 and various
Head start	45 CFR (various)

HOW SERVICES ARE PROVIDED

The Human and Community Services Division is comprised of four bureaus: 1) Public Assistance; 2) Early Childhood Services; 3) Intergovernmental Human Services; and 4) Fiscal Services.

The Public Assistance Bureau administers Montana's Temporary Assistance for Needy Families (TANF) program, and the Food Stamp Program. The bureau also provides eligibility services for the Medicaid program. Services are provided by approximately 400 FTE assigned to the Offices of Public Assistance throughout the state.

The Early Childhood Services Bureau: 1) manages the funds which pay for the child care for TANF participants and low-income working families; 2) contracts with 12 resource and referral agencies to administer child care eligibility, provider recruitment and technical assistance; 3) administers the Child and Adult Food Program which provides reimbursement to child care providers for the cost of meals served to eligible children and adults; and 4) administers the Head Start State Collaboration.

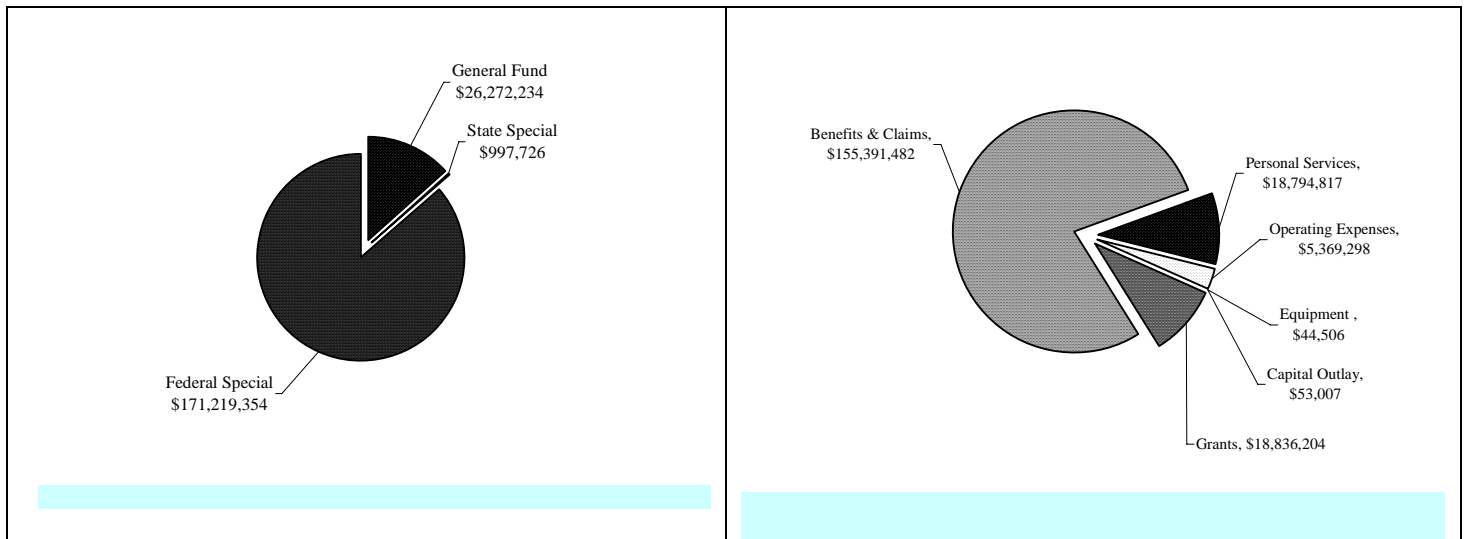
The Intergovernmental Human Services Bureau administers: 1) the Community Services Block Grant which is used by the Human Resource Development Councils to provide a wide range of community-based human services; 2) the Low-Income Energy Assistance Program and weatherization program; 3) five other weatherization programs; 4) the

Emergency Shelter Grants program; 5) the USDA commodities program: and 6) the Housing Opportunities for People with Aids grant. The bureau stores and distributes USDA commodity foods to a wide range of recipients.

The Fiscal Services Bureau coordinates implementation and monitoring of the division's budget.

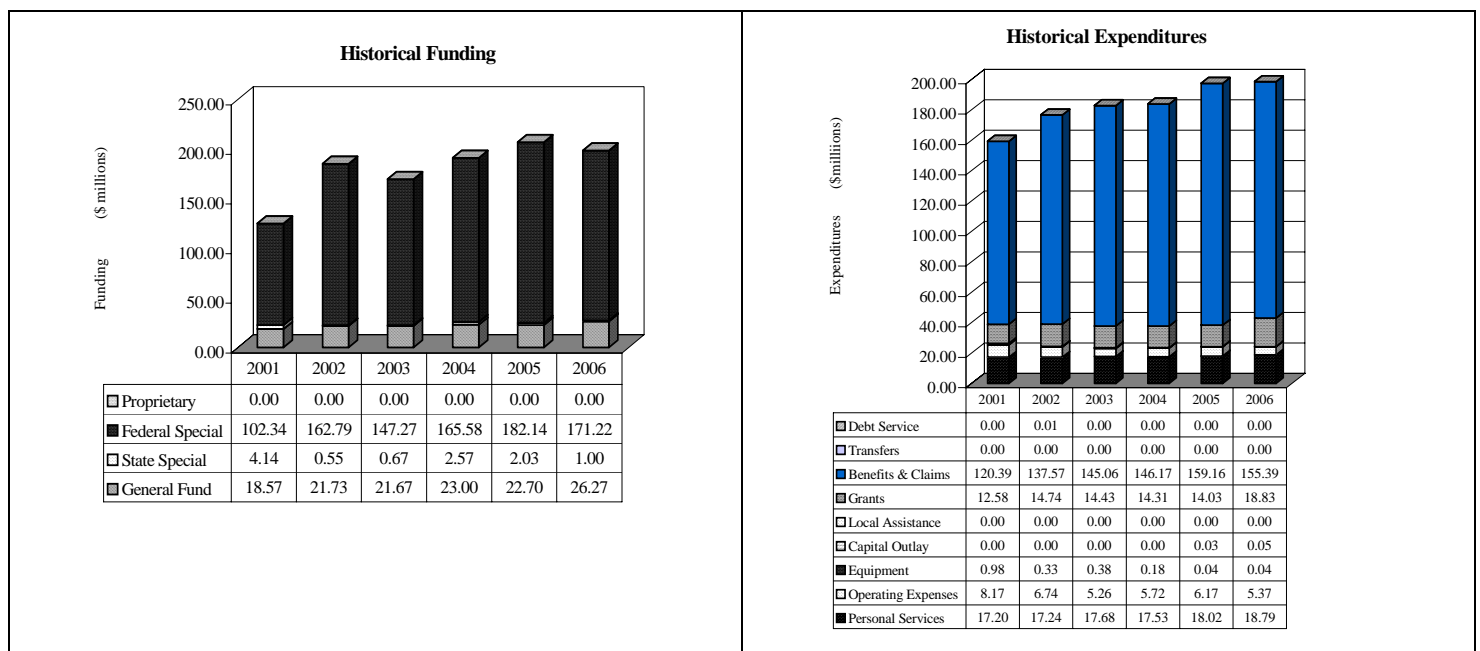
SPENDING AND FUNDING INFORMATION

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Human and Community Services Division.



The above information does not include administrative appropriations. The division had \$77,900 in administrative appropriations in fiscal year 2006. The administrative appropriations were received from the Office of Public Instruction. They were used to fund the storage of school lunch commodities.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

The Human and Community Services Division implemented or expanded several programs with general or federal funding in the 2007 biennium.

The department increased TANF benefits on October 1, 2005 to 33% of the 2005 Federal Poverty Level. Projected cost to do so was about \$2 million for the biennium. This entire projected cost has not occurred because of the reduction in TANF caseloads.

The Public Assistance Bureau was approved to use \$3.5 million of federal TANF funds to assist in meeting the federally mandated work participation rates. In December 2003, Montana's waiver that allowed a broadly defined list of activities to count toward work participation expired and was not renewed. Beginning on July 1, 2005 the department began placing TANF participants in subsidized employment and on-the-job training, some of which included participant incentive payments to encourage completion and retention. These activities cost more than placing individuals in unsubsidized work settings. In FFY 2006, the department met its work participation rates.

On July 1, 2005 the department started using TANF funds to provide a Child Support Supplemental Payment (referred to as a pass-through). A payment of up to \$100 per family was made to families on assistance for whom child support payments were collected. This project cost \$615,795 for SFY 2006, and served an average of 607 families per month.

The Department received a \$1,000,000 general fund appropriation for low-income energy assistance (LIEAP) and weatherization assistance. In 2006, \$241,848 was expended in the state administered LIEAP program to provide 21,221 households an additional \$11 in energy assistance. Tribally administered LIEAP programs were allotted \$87,404 and the Warm Hearts in Warm Homes program expended \$170,748 to provide low/no cost energy conservation measures to 601 homes. In 2007 the Department will expend \$412,595 in the state administered LIEAP program to provide 22,700 households an additional \$18 in energy assistance. Tribally administered LIEAP programs will be allocated the remaining \$87,405.

The Department received a one-time-only \$600,000 general fund appropriation to support case management staff at the human resource development councils to assist low-income individuals seeking emergency energy assistance. In the first year, agencies provided 16,781 hours of ombudsman activities including energy conservation workshops, outreach clinics, installation of low/no cost energy conservation measures and case management and information referral. In the second year, the Department contracted with the same agencies to provide comparable services to a minimum of 3,400 individuals.

The Department received a \$2.4 million general fund appropriation for SFY 2006 for Child Care assistance to low-income families. This funding provided child care assistance for 827 families.

FTE

The legislature approved appropriations for an additional 4.0 FTE in the 2007 Biennium to support HB 552 and HB 668. The following figure shows the positions and hiring dates for the new FTE.

HB552, using state special revenue from tobacco tax funds, increased the asset limit for the children's Medicaid programs from \$3000 to \$15,000. The bill provided for 3 FTE to assume the extra workload that this policy change was anticipated to cause. Two of the FTE were placed in Missoula and one in Bozeman, but expenditures attributed to HB552 are being calculated on a "level of effort" methodology based on Random Moment Time Study. In other

2007 Biennium FTE Hire Dates	FTE	Date
Position 69102731	1.0	6-12-2006
Position 69102733	1.0	7-10-2006
Position 69102732	1.0	10-14-2006
Position 69102734	1.0	Vacant

words, all eligibility staff across the state are able and available to provide services necessary as a result of HB552. At the time they are providing these services across the state, their time is allocated to the funding provided in HB552 at the level of effort for 3 FTE. The program was implemented on July 1, 2006. The anticipated increase in the children's Medicaid caseload has been small. We believe the caseload will grow once families become aware of the higher resource limits, and their eligibility for the Children's Health Insurance Program (CHIP) expires and they are transitioned into Medicaid.

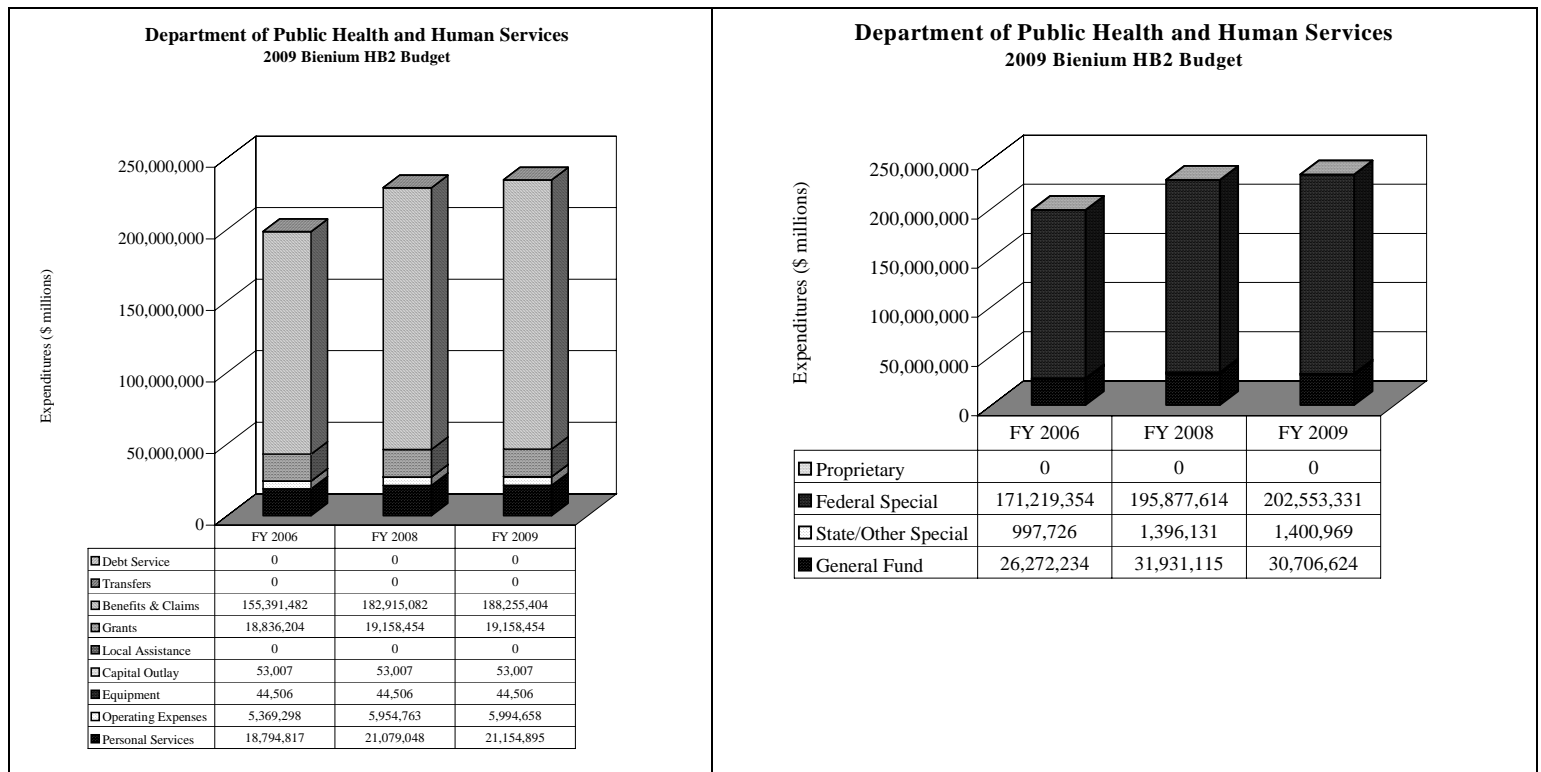
HB668 provided this division with one FTE to assist the Insurance Commissioner's office in diverting uninsured Montanans to the Medicaid program when it appeared they might be eligible. HB668 provided for the development of small employer-based insurance coverage. It was anticipated that some of the employed individuals whose employers subscribed to the small business insurance would be eligible for Medicaid. To date, the position has not been filled. Any individuals who were determined to likely be eligible for Medicaid were served by existing resources through the Offices of Public Assistance.

CORRECTIVE ACTION PLANS

The Division did not have any legislative or federal audit recommendations.

2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Human and Community Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Achieve the federal work participation rates necessary to qualify for the state participation at the 75% maintenance of effort (MOE) level for the Temporary Assistance for Needy Families (TANF) block grant. Failure to meet the federal work participation rate requires state participation at 80% maintenance of effort level.	The FY 2006 rate for all families is 50% participation at 33 hours per week, and the FY 2006 rate for two-parent families is 90% participation at 38 hours per week.	Work participation rates were successfully achieved in FY 2006. Participation results are usually available approximately six months following the end of the reporting period and are provided by the federal agency.

Goals for the Food Stamp Program include increased participation in the program, accuracy in benefit determination, and timeliness in application processing.	Accuracy must be within the national tolerance rate. Recognition is given if performance for these activities is within the top 4 to 10 states nationally.	Montana received recognition for its accuracy and timeliness this past year. Increased participation was up 9% from the prior year.
Medicaid goals include accuracy in eligibility determination and timeliness of application processing.	Centers for Medicare and Medicaid Services (CMS) expect that a state should be within a 3% accuracy level for Medicaid eligibility determinations.	Montana is scheduled for a federal review in 2008, utilizing the Payment Error Rate Measurement (PERM). Internal reviews are being done to prepare for that review.
Goals in the Child Care Program include maintaining reimbursement rates at the 75 th percentile of the market for the 12 Child Care Resource and Referral Districts.	Market surveys were conducted in June and implemented in August 2006. The average increase statewide was 6 percent over the 24 -month period.	Market surveys will be conducted annually and adjustments will be made to the reimbursement rate to the extent the budget will permit.
An additional goal in the child Care Program is to increase the number of low-income working families by 246 in 2008 and 344 in 2009.	Caseload growth has continued to increase during the 2007 biennium. Caseloads are monitored and reported monthly.	Caseloads are monitored monthly by number of families, number of children, facility type, and types of care based on funding sources. Caseloads are monitored to insure accessibility and affordability.
The Child Care Program has a goal to maintain eligibility for families at or below 150 percent of poverty index by annually adjusting the program levels to the current Federal Poverty Level.	Eligibility at the 2006 FPL was determined in July 2006 and the sliding fee scale was adjusted accordingly. This scale determines eligibility and the amount the family will pay in co-payments.	The sliding fee scale is monitored annually to ensure that the eligibility and accessibility to quality child care is maintained at the recommended federal level.
The main goal of the commodities programs is to order, receive, warehouse, and deliver eight million pounds of food to Indian Reservations, elderly feeding sites, charitable organizations, and soup kitchens annually.	Inventory records are maintained and verified using an in-house electronic CATS database, and via a federal ordering data base.	Warehouse inventories are reconciled monthly and outgoing orders are reviewed for out-of-stocks; re-supply orders placed as needed. Incoming orders are processed routinely same or next day.

Goals of the weatherization program include addressing energy related health and safety issues and providing cost effective energy conservation measures to 1,200 high energy burden households in both 2008 and 2009.	In previous program years, completion goals have been met or exceeded and the program has demonstrated average annual energy savings of 21 percent.	Completion goals are monitored quarterly using the energy audit component of the Department's CDS database which in turn measures the energy savings and cost effectiveness of energy conservation measures.
The energy assistance program provides eligible households assistance with heating bills in proportion to their need, which is measured on the basis of income, fuel cost, climate and dwelling size. In 2008, 23,900 households will receive energy assistance, and in 2009, 25,170 households will receive energy assistance.	In recent years, caseload has increased as have energy costs. In 2006, 21,221 households were provided benefits ranging from \$68 to \$2,591. The average benefit in 2006 was \$631. Based on funding and caseload projections, the average benefit in 2007 will be \$392.	Provision of services relative to need is monitored on an on-going basis using the LIEAP component of the Department's CDS database.

BUDGET AND POLICY ISSUES

The department will need to continue an emphasis and concentrate efforts to enhance and support activities that will lead to the achievement of the federally mandated TANF work participation rates in order to avoid penalties. The Deficit Reduction Act of 2005 (DRA) more narrowly defined allowable work activities while simultaneously increasing the required oversight and verification that the activities were actually performed. In addition, the DRA changed the calculation of the Caseload Reduction Credit, which Montana depended on to meet the two-parent work rate. The DRA also requires sanctioned or otherwise disqualified adults, to participate in work activities, which was not mandated prior to the DRA. Montana has requested that individuals with certain incapacities be excused from work participation, but the federal agency has not yet approved that request, and may not. The effects of the DRA will be closely monitored with a goal to continue an effective, service-based program, while avoiding possible penalties. The department will also continue to assess the effectiveness of current programs to determine if they should be modified or discontinued, again, in order to achieve the maximum work participation credit.

The department is committed to helping eligible families afford child care by determining eligibility at a 150% of poverty and to avoid implementation of a waiting list. In 2003, the department had to implement a waiting list for child care scholarships due to funding restraints. This had a negative impact on not only the child care community, but on the TANF program too. Child care is a strong work support function for low income and TANF families. In addition, the department is committed to ensuring a fair and equitable wage for child care providers that provide services for subsidy families. The federal Child Care Development Fund regulations reinforce accessibility and affordability, and recommend rates to be set at the 75th percentile of the market so that low income families have the same access to quality care as families not receiving assistance.

The department is committed to providing an effective level of energy assistance to households at or below 150% of poverty. The cost to heat a home in Montana has significantly increased and low-income families are the most vulnerable. LIEAP funding was at an all time high for the 2005/2006 heating season and the program was able to cover 78% of the average winter heating bill in Montana. For the 2006/2007 heating season, the program is expected to cover only 49% of the average heating bill after taking into account changes in fuel prices. Federal funding is not expected to increase in the 2008/2009 biennium and, in fact, the president's request for 2007 funding is 37% less than last year.

SIGNIFICANT ISSUES EXPANDED

1. The Department is requesting a One-Time-Only biennial appropriation of \$1,600,000 to use the energy conservation and energy assistance federal special revenue accounts for low-income energy assistance or low-income weatherization.

The 1987 Legislature (HB 621) established the federal special revenue funds for the energy conservation and energy assistance accounts when the department received cash distributions. 90-4-215 MCA is the enabling legislation; however, it contains a clause restricting the use of the principal in the funds to a time when either weatherization or energy assistance grants fall below the 1987 funding levels.

2. The Department is requesting to establish a biennial appropriation of \$966,000 of federal funds for the Housing Opportunities for Persons with AIDS (HOPWA) Tri State HELP (Housing Environments for Living Positively) Plus Grant received from U.S. Department of Housing and Urban Development (HUD). This grant is the second HOPWA grant received by DPHHS. Long-term rental assistance will be provided to an estimated 49 persons and their families living with HIV in Montana, North Dakota and South Dakota. Funding for short-term/emergency assistance will be provided in Montana to approximately 30 households per year. The addition of an intensive housing case management service in all three states will help provide new and existing clients an expanded range of services related to obtaining and maintaining safe and stable housing, serving approximately 158 persons per year.

3. The department is requesting \$1,367,568 of spending authority for the 2009 biennium to provide child care for working caretaker relatives of children eligible for the TANF child-only grant. Many grandparents and other caretaker relatives are caring for minor grandchildren, nieces or nephews and this request will assist them in their efforts. Currently, there are approximately 130-150 child only cases fitting this situation. Of these, it is estimated that 40% of the grandparents/caretakers are working and in need of child care assistance, or approximately 56 families. The cost of child care would be \$25 per day for infants and \$22 per day for children aged 2 and above. If these 56 families have 2 children in each family, one infant and one older child, the approximate cost of serving these families would be \$56,982 per month.

4. The Department is requesting a one-time-only general fund appropriation of \$300,000 per year (\$600,000 over the biennium) for the Energy Ombudsman program, which was approved by the 2005 Legislature. These dollars may be used to fund case management staff at human resource development councils (HRDC's), who aid people needing emergency energy assistance. Case managers provide services to identify and address emergency heating situations and encourage recipients to reduce their home energy burdens, while becoming energy self sufficient. Funds may also be used for the cost of installation and low-cost/no-cost weatherization materials for the Warm Hearts/Warm Homes program. Over 1,400 homes could be weatherized with low cost/no-cost measures through the Warm Hearts/Warm Homes program. Ombudsmen services could be provided by ten HRDC's to assist people by providing referrals for a variety of services, using a variety of methods such as distributing energy education materials, attending health fairs, personally assisting persons in negotiating payment plans with utilities, offering dispute resolution training, informing them of and referring them to other available programs, and other. It is estimated that 3,400 individuals can be assisted or referred by the ombudsman program.

5. The department is requesting a biennial appropriation of \$400,000 in general fund to provide the required non-federal cash match for Individual Development Accounts (IDA's) established through the Family Assets for Independence (AFI) program. The Administration for Children and Families, Office of Community Services (OCS) has a standing announcement and will accept applications for financial assistance to establish and administer IDA/AFI Projects. Depending on the size of the federal grants secured and the number of IDA projects administered up to four hundred low-income recipients could benefit from the matching funds provided.

6. The department is requesting \$4,457,966 for the biennium of federal authority to increase TANF cash benefits. The increase will raise the cash benefit standard from 33 percent of the 2005 federal poverty level to 33 percent of the estimated 2007 federal poverty level. The TANF case load has remained fairly stable in SFY 2006 and an average case load of 3,782 cases was used to project the cost of this increase.

7. The department is requesting \$2,270,340 of federal authority for the 2009 biennium to support the restructuring of the Blackfeet Tribal TANF plan. This funding will support an estimated caseload of 293 cases that would be assumed by the state's TANF program. The funding would also allow the state to contract back with the Blackfeet Tribe for the Tribal NEW contract. This contract would support 196 cases. To maintain solvency in its TANF plan the Blackfeet Tribe will

negotiate a new TANF contract with the federal government. This renegotiation will re-define the service population to be served by the Blackfeet Tribe. The new population will be “eligible families that include all enrolled Blackfeet members in the assistance unit.” The annual cost of 293 cases would be \$1,511,880. The estimated 293 new cases to the state of Montana would have an average cost per case of \$430 per month (based on a benefit level of 33% of the 2007 FPL). Of the 293 new cases it is estimated that 196 cases would participate in work activities. The estimated annual cost of the Tribal NEW contract for these 196 families would be \$450,800. The total cost to the department resulting from this modified plan is \$1,962,680. Funding for this will be made up of general fund/MOE and TANF federal funds. The Blackfeet Tribal Plan will result in the Blackfeet not retaining the associated general fund/MOE. The department retains this general fund in the base. Therefore, the impact to the TANF federal funds is \$1,135,170 (\$1,962,680 - \$827,510).

8. The department is requesting one time only biennial authority for \$2,000,000 of state general fund to be used to supplement low-income energy assistance benefits for approximately 22,700 households including residents of the Crow reservation. For the other six reservations, the federal LIEAP set aside is 17.4806%, so \$349,612 of this funding will be contracted to those tribes that administer their own federal LIEAP programs. The cost to heat a home in Montana has significantly increased and low-income families are the most vulnerable. LIEAP funding was at an all time high for the 2005/2006 heating season and the program was able to cover 78% of the average winter heating bill in Montana. For the 2006/2007 heating season, the program is expected to cover only 49% of the average heating bill after taking into account changes in fuel prices. Federal funding is not expected to increase in the 2008/2009 biennium and, in fact, the president’s request for 2007 funding is 37% less than last year. The number of households participating in the state LIEAP program has increased over 50% in the last six years. Funding of \$2,000,000 will result in approximately \$73 increase in the average benefits per household over two years.

9. The department is requesting \$4,169,650 in general fund for the biennium to maintain an annual update to the federal poverty index in the amount of \$367,000, and general fund authority above the 2006 base to maintain rates consistent with the 75th percentile of the market in the amount of \$1,281,000, and \$ 2,521,650 to support a case load increase to support low income working parents. Funding child care is a strong work support function which impacts not only children, families, and the child care community, but it also impacts other human service programs such as TANF work participation rules.